

REMARKS:

Claims 1-32 are currently pending in the application.

Claims 1-5, 7, 9-15, 17, 19-25, 27, and 29-32 stand rejected under 35 U.S.C. § 103(a) over U.S. Patent No. 7,058,602 to La Mura et al. ("*La Mura*"), in view of U.S. Patent No. 6,871,191 to Kinney Jr. et al. ("*Kinney*"), in view of U.S. Patent No. 6,871,191 to Johnson et al. ("*Johnson*"), and in further view of U.S. Patent No. 6,952,682 to Wellman ("*Wellman*").

Claims 6, 8, 16, 18, 26, and 28 stand rejected under 35 U.S.C. § 103(a) over *La Mura* in view of *Kinney* in view of *Wellman* and in further view of U.S. Patent No. 7,039,603 to Walker et al. ("*Walker*").

The Applicant respectfully submits that all of the Applicant's arguments are without *prejudice* or *disclaimer*. In addition, the Applicant has merely discussed example distinctions from the cited prior art. Other distinctions may exist, and as such, the Applicant reserves the right to discuss these additional distinctions in a future Response or on Appeal, if appropriate. The Applicant further respectfully submits that by not responding to additional statements made by the Examiner, the Applicant does not acquiesce to the Examiner's additional statements. The example distinctions discussed by the Applicant are considered sufficient to overcome the Examiner's rejections.

SPECIFICATION:

The Applicant thanks the Examiner for withdrawing the objection to the Specification.

DRAWINGS:

The Applicant thanks the Examiner for withdrawing the objection to the drawings.

REJECTION UNDER 35 U.S.C. § 112:

The Applicant thanks the Examiner for withdrawing the rejection of Claims 1-11, 13-19, 21, 23-29, 31, and 32 under 35 U.S.C. § 112.

REJECTION UNDER 35 U.S.C. § 103(a):

Claims 1-5, 7, 9-15, 17, 19-25, 27, and 29-32 stand rejected under 35 U.S.C. § 103(a) over *La Mura* in view of *Kinney*, in view of *Johnson*, and in further view of *Wellman*.

Claims 6, 8, 16, 18, 26, and 28 stand rejected under 35 U.S.C. § 103(a) over *La Mura* in view of *Kinney* in view of *Wellman* and in further view of *Walker*.

The Applicant respectfully submits that *La Mura*, *Kinney*, *Johnson*, *Wellman*, or *Walker*, either individually or in combination, fail to disclose, teach, or suggest each and every element of Claims 1-32. Thus, the Applicant respectfully traverses the Examiner's obvious rejection of Claims 1-32 under 35 U.S.C. § 103(a) over the proposed combination of *La Mura*, *Kinney*, *Johnson*, *Wellman*, and *Walker*, either individually or in combination.

The Proposed *La Mura-Kinney-Wellman-Johnson-Walker* Combination Fails to Disclose, Teach, or Suggest Various Limitations Recited in Applicant's Claims

For example, with respect to independent Claim 1, this claim recites:

An ***electronic marketplace*** comprising one or more computers collectively supporting ***a market having two sides*** and in which there are generally fewer market participants associated with the first side than with the second side, each market participant associated with the first side generally having a greater market capacity than each market participant associated with the second side, the first side being sealed such that offers associated with the first side are inaccessible to the market participants, the second side being open such that offers associated with the second side are accessible to the market participants, the one or more computers collectively operable to:

receive offers from market participants associated with the first side and from market participants associated with the second

side, each offer comprising at least an offered price and an offered quantity;

prioritize among any offers associated with the first side that comprise equal offered prices and among any offers associated with the second side that comprise equal offered prices according to a predetermined prioritization scheme, the prioritization among such equally priced offers determining the order in which they are matched with other offers;

match a first offer associated with the first side with a second offer associated with the second side according to a relationship between a first offered price associated with the first offer and a second offered price associated with the second offer; and

determine a strike price for the match between the first offer and the second offer based on the relationship between the first and second offered prices. (Emphasis Added).

In addition, *La Mura, Kinney, Johnson, Wellman, or Walker*, either individually or in combination, fail to disclose, teach, or suggest each and every element of independent Claims 1, 11, 21, 31, and 32.

The Office Action Acknowledges that *La Mura* Fails to Disclose Various Limitations Recited in Applicant's Claims

The Applicant respectfully submits that the Office Action acknowledges, and the Applicant agrees, that *La Mura fails to disclose the emphasized limitations noted above in independent Claim 1*. Specifically the Examiner acknowledges that *La Mura* fails to disclose “an electronic marketplace in which there are generally substantially fewer market participant associated with the first side generally having a substantially greater market capacity than each market participant associated with the second side, the second side being substantially open such that offers associated with the second side are substantially accessible to substantially all of the market participants, the one or more computers collectively operable to: receive offers from market participants associated with the first side and from market participants associated with the second side, each offer comprising at least an offered price and an offered quantity; prioritize among any offers associated with the first side that comprise substantially equal offered prices and among any offers associated with the second side that comprise substantially equal offered prices

according to a predetermined prioritization scheme, the prioritization among such substantially equally priced offers determining the order in which they are matched with other offers; match a first offer associated with the first side with a second offer associated with the second side according to a relationship between a first offered price associated with the first offer and a second offered price associated with the second offer; and determine a strike price for the match between the first offer and the second offer based on the relationship between the first and second offered prices.” (20 April 2007 Office Action, Pages 4-5). However, the Examiner asserts that the cited portions of *Kinney* and *Wellman* disclose the acknowledged shortcomings in *La Mura*. The Applicant respectfully traverses the Examiner’s assertions regarding the subject matter disclosed in *Kinney* and *Wellman*.

The Applicant respectfully submits that *Kinney* fails to disclose, teach, or suggest independent Claim 1 limitations regarding an “**electronic marketplace**” and in particular *Kinney* fails to disclose, teach, or suggest independent Claim 1 limitations regarding “**an electronic marketplace...in which there are generally substantially fewer market participants associated with the first side that with the second side**”. In particular, it appears that the Examiner is equating the “electronic marketplace...in which there are generally fewer market participants associated with the first side that with the second side” recited in independent Claim 1 with “[b]ids placed by a supplier are broadcast to all connected bidders thereby enabling every participating bidder to see quickly the change in market conditions” disclosed in *Kinney*. (20 April 2007 Office Action, Page 5). However, *Kinney* fails to teach, suggest, or even hint at independent Claim 1 limitations, because, among other things, *Kinney* admits, an auction inherently is one-sided, and thus is not an electronic marketplace with a first side and a second side. (Column 4, Lines 8-10). Thus, the Applicant respectfully submits that the equations forming the foundation of the Examiner’s comparison between *Kinney* and independent Claim 1 cannot be made. The Applicant further respectfully submits that these distinctions alone are sufficient to patentably distinguish independent Claim 1 from *Kinney*.

The Applicant further respectfully submits that *Wellman* fails to disclose, teach, or suggest independent Claim 1 limitations regarding an “**electronic marketplace**” and in particular *Wellman* fails to disclose, teach, or suggest independent Claim 1 limitations regarding “**prioritize among any offers associated with the first side that comprise equal offered prices and among any offers associated with the second side that comprise equal offered prices according to a predetermined prioritization scheme**,” the prioritization among such equally priced offers determining the order in which they are matched with other offers”. In particular, the Examiner equates the “**predetermined prioritization scheme**” recited in independent Claim 1 with the statement that “the market system may select one of the matching bid pairs based upon certain rules. In one embodiment, the selection may be automated by providing predetermined or preset rules. For example, the market system may first select one or more matching bid pairs having a lowest or a highest price” disclosed in *Wellman*. (20 April 2007 Office Action, Page 5). However, the system of *Wellman* merely prioritizes “bid pairs” which are matches between a buyer and a seller in an auction context. The system of *Wellman* does not therefore “prioritize among any offers” on one side of a market then “match a first offer associated with the first side with a second offer associated with the second side.” (Column 9, Lines 27-33). Thus, the Applicant respectfully submits that the equations forming the foundation of the Examiner’s comparison between *Wellman* and independent Claim 1 cannot be made. The Applicant further respectfully submits that these distinctions alone are sufficient to patentably distinguish independent Claim 1 from *Wellman*.

The Applicant further respectfully submits that *Johnson* fails to disclose, teach, or suggest independent Claim 1 limitations regarding “each market participant associated with the first side generally having a greater market capacity than each market participant associated with the second side”. In particular, it appears that the Examiner is equating “each market participant associated with the first side generally having a greater market capacity than each market participant associated with the second side...” recited in independent Claim 1 with the statement that “[t]he provision of electric power and natural gas to end users is dominated by fixed price arrangement set according to (i) orders promulgated by the federal or state governmental bodies regulating providers, (ii) tariffs filed with such governmental authorities by the providers, and (iii) contractual

arrangements between providers and end users” disclosed in *Johnson*. (20 April 2007 Office Action, Page 6). However, the system of *Johnson* is merely “[a]n auction service...that stimulates competition between energy suppliers” and utilizes a computer to determine which of the bidding energy suppliers will be able to supply power to end users and the end users are not involved in the process. (Column 5, Lines 61-66). Accordingly, the system of *Johnson* does not have a “second side” or “market participants associated with the second side.” Thus, the Applicant respectfully submits that the equations forming the foundation of the Examiner’s comparison between *Johnson* and independent Claim 1 cannot be made. The Applicant further respectfully submits that these distinctions alone are sufficient to patentably distinguish independent Claim 1 from *Johnson*.

The Office Action Fails to Properly Establish a *Prima Facie* case of Obvious over the Proposed *La Mura-Kinney-Wellman-Walker* Combination

The Applicant respectfully submit that the Office Action has failed to properly establish a *prima facie* case of obviousness based on the proposed combination of *La Mura*, *Kinney*, *Wellman*, and *Walker*, either individually or in combination. The Office Action has not shown the required teaching, suggestion, or motivation in these references or in knowledge generally available to those of ordinary skill in the art at the time of the invention to combine *La Mura*, *Kinney*, *Johnson*, *Wellman*, or *Walker* as proposed. The Office Action merely states that “it would have been obvious to one of the ordinary skill in the art at the time of Applicant’s invention to include the aforementioned limitation as disclosed by *Wellman* within *La Mura*”. (20 April 2007 Office Action, Page 5). The Applicant respectfully disagrees.

The Applicant further respectfully submits that this purported advantage relied on by the Examiner is nowhere disclosed, taught, or suggested in *La Mura*, *Kinney*, *Johnson*, *Wellman*, or *Walker*, either individually or in combination. In essence, the Examiner asserts that one of ordinary skill in the art at the time of the invention “for the motivation of having a scheme or predetermined rules for selecting the winning bid (i.e., buyer) when two or more buyers have equal bids”. (20 April 2007 Office Action, Page 5). The Applicant respectfully disagrees and further respectfully requests clarification as to how the

Examiner arrives at this conclusion. The Applicant further respectfully submits that the Examiner is using the subject Application as a template to formulate reconstructive hindsight, which constitutes impermissible use of hindsight under 35 U.S.C. § 103(a).

A recent Federal Circuit case makes it crystal clear that, in an obviousness situation, the **prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art.** *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). (Emphasis Added). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. *Id.* at 1434-35. With respect to the subject Application, **the Examiner has not adequately supported the selection and combination of La Mura, Kinney, Johnson, Wellman, or Walker to render obvious the Applicant's claimed invention.** The Examiner's conclusory statements that "it would have been obvious to one of the ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation as disclosed by *Wellman* within *La Mura*", "for the motivation of matching the most attractive bids to offers" and "for the motivation of having a scheme or predetermined rules for selecting the winning bid (i.e., buyer) when two or more buyers have equal bids", **does not adequately address the issue of motivation to combine.** (20 April 2007 Office Action, Page 5). This factual question of motivation is material to patentability, and cannot be resolved on subjective belief and unknown authority. *Id.* It is improper, in determining whether a person of ordinary skill would have been led to this combination of references, simply to "[use] that which the inventor taught against its teacher." *W.L. Gore v. Garlock, Inc.*, 721 F.2d 1540 (Fed. Cir. 1983). Thus, **the Office Action fails to provide proper motivation for combining the teachings of La Mura, Kinney, Johnson, Wellman, or Walker**, either individually or in combination.

The Applicant's Claims are Patentable over the Proposed La Mura-Kinney-Johnson-Wellman-Walker Combination

Independent Claims 11, 21, 31, and 32 are considered patentably distinguishable over the proposed combination of *La Mura, Kinney, Johnson, Wellman, or Walker* for at least the reasons discussed above in connection with independent Claim 1.

With respect to dependent Claims 2-10, 12-20, and 22-30: Claims 2-10 depend from independent Claim 1; Claims 12-20 depend from independent Claim 11; and Claims 22-30 depend from independent Claim 21. As mentioned above, each of independent Claims 11, 21, 31, and 32 include limitations similar to those discussed above in connection with independent Claim 1. Thus, dependent Claims 2-10, 12-20, and 22-30 are considered patentably distinguishable over the proposed combination of *La Mura, Kinney, Johnson, Wellman, or Walker* for at least the reasons of depending from an allowable claim and are therefore considered to be in condition for allowance.

For at least the reasons set forth herein, the Applicant respectfully submits that Claims 1-32 are not rendered obvious by the proposed combination of *La Mura, Kinney, Johnson, Wellman, or Walker*, or in knowledge generally available to those of ordinary skill in the art at the time of the invention. The Applicant further respectfully submits that Claims 1-32 are not rendered obvious by the proposed combination of *La Mura, Kinney, Johnson, Wellman, or Walker*, or in knowledge generally available to those of ordinary skill in the art at the time of the invention, and are in condition for allowance. Thus, the Applicant respectfully request that the rejection of Claims 1-32 under 35 U.S.C. § 103(a) be reconsidered and that Claims 1-32 be allowed.

THE LEGAL STANDARD FOR OBVIOUSNESS REJECTIONS UNDER 35 U.S.C. § 103:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, ***there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings.*** Second, there must be a reasonable expectation of success. Finally, ***the prior art reference*** (or references when combined) ***must teach or suggest all the claim limitations.*** The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, ***and not based on applicant's disclosure.*** *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); M.P.E.P. § 2142. Moreover, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180

U.S.P.Q. 580 (CCPA 1974). If an independent claim is nonobvious under 35 U.S.C. § 103, then any claim depending therefrom is nonobvious. *In re Fine*, 837 F.2d 1071, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988); M.P.E.P. § 2143.03.

With respect to alleged obviousness, there ***must be something in the prior art as a whole to suggest the desirability***, and thus the obviousness, of making the combination. *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561 (Fed. Cir. 1986). In fact, the absence of a suggestion to combine is dispositive in an obviousness determination. *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573 (Fed. Cir. 1997). The mere fact that the prior art can be combined or modified does not make the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680, 16 U.S.P.Q.2d 1430 (Fed. Cir. 1990); M.P.E.P. § 2143.01. The consistent criterion for determining obviousness is whether the prior art would have suggested to one of ordinary skill in the art that the process should be carried out and would have a reasonable likelihood of success, viewed in the light of the prior art. Both the suggestion and the expectation of success must be founded in the prior art, not in the Applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); *In re O'Farrell*, 853 F.2d 894 (Fed. Cir. 1988); M.P.E.P. § 2142.

A recent Federal Circuit case makes it clear that, in an obviousness situation, the prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art. *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. *Id.* at 1434-35.

CONCLUSION:

In view of the foregoing amendments and remarks, this application is considered to be in condition for allowance, and early reconsideration and a Notice of Allowance are earnestly solicited.

Although the Applicant believes no fees are deemed to be necessary; the undersigned hereby authorizes the Director to charge any additional fees which may be required, or credit any overpayments, to **Deposit Account No. 500777**. If an extension of time is necessary for allowing this Response to be timely filed, this document is to be construed as also constituting a Petition for Extension of Time Under 37 C.F.R. § 1.136(a) to the extent necessary. Any fee required for such Petition for Extension of Time should be charged to **Deposit Account No. 500777**.

Please link this application to Customer No. 53184 so that its status may be checked via the PAIR System.

Respectfully submitted,

20 July 2007
Date

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